



April 21, 2022

VIA ELECTRONIC FILING

The Honorable Jocelyn Boyd
Chief Clerk/Executive Director
Public Service Commission of South Carolina
101 Executive Center Drive
Columbia, South Carolina 29210

RE: Dominion Energy South Carolina, Incorporated's 2022 Annual Update
on Demand Side Management Programs and Petition to Update Rider
(*This Filing Includes a Request for a Rate Increase*)
Docket No. 2022-52-E

Dear Ms. Boyd:

On April 8, 2022, the United States Department of Defense and all other Federal Executive Agencies ("DoD/FEA") filed a Motion to File Comments Out of Time and contemporaneously filed its Comments in response to the 2022 Annual Update on Demand Side Management Programs and Petition to Update Rider filed by Dominion Energy South Carolina, Inc. ("DESC" or "Company") in the above-referenced docket on January 31, 2022, as amended on March 10, 2022. DESC did not file a return to DoD/FEA's Motion to File Comments Out of Time because it does not object to the Public Service Commission of South Carolina ("Commission") considering DoD/FEA's untimely comments.

In its comments, DoD/FEA requests that the Commission deny the revisions proposed by DESC to its DSM Rider's opt-out provision and instead amend the first paragraph of the opt-out provision's availability clause to read "Customers eligible for Rate 23 are eligible to opt-out of DSM programs and costs." Simply put, DoD/FEA no longer wants to be subject to the DSM Rider and its charges.

By way of background, the opt-out provision in the DSM Rider currently reads as follows, "Industrial customers as defined in Rate 23 are eligible to opt out of DSM programs and costs." (emphasis supplied). In Docket No. 2020-125-E, and pursuant to a Settlement Agreement, the Commission approved a revision to the availability clause of the Company's Rate 23 tariff, which removed the definition of an industrial customer from that tariff.

As a result of this revision, Rate 23 no longer defines industrial customers, and so the reference to "Industrial customers as defined in Rate 23" in the DSM Rider's opt-out provision creates a disconnect and customer confusion. To eliminate this disconnect and avoid customer confusion, the Company proposed to revise the

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opt-out provision in Amended Exhibit 8 to specifically include the definition of industrial customers that was previously included in the Rate 23 prior to its deletion in the revisions to Rate 23 approved in Docket No. 2020-125-E. Specifically, those customers classified in the major industrial group of manufacturing with 10-14 or 20-39 as the first two digits of the Standard Industrial Classification or 21 or 31-33 as the first two digits of the six-digit North American Industry Classification System continue to remain eligible for the opt-out.

The Company's proposed revision is simply a clarification for the benefit of customers and does not alter the application or operation of the opt-out provision in the DSM Rider. However, if the Commission desires to modify the opt-out provision as requested by DoD/FEA to allow all "[c]ustomers eligible for Rate 23 . . . to opt-out of DSM programs and costs," DESC does not object. As information for the Commission, DESC estimates that such a change would provide 59 accounts (i.e., the customers that did not previously qualify for Rate 23 but now qualify for such service as a result of the Rate 23 revisions approved in Docket No. 2020-125-E) with the ability to opt-out of DSM programs and costs. To date, DESC has received only one request from such a customer who now qualifies for Rate 23 – the Fort Jackson request referenced in the DoD/FEA Comments.¹ For clarity, any customers who have "participate[d] in the Company's [DSM] programs for any account(s) . . . may not apply to opt-out for that account(s) again for a period of three (3) years from the date the Customer accept[ed] a DSM rebate from the Company." See DESC Rider to Retail Rates – Demand Side Management Component "Opt-Out" Provision, paragraph 5.

Although DESC does not object to DoD/FEA's proposed revision to allow all "[c]ustomers eligible for Rate 23 . . . to opt out of DSM programs and costs" should the Commission decide to adopt it, DESC must briefly respond to DoD/FEA's assertions that "[d]isparate treatment of customer/s within the same rate class [as in DESC's proposed revision] is discriminatory and is contrary to the change in the Rate 23 availability clause approved in Docket No. 2020-125-E" and "[DoD/FEA's] proposed revision is consistent with the Commission's determination in DESC's last rate case in Docket No. 2020-125-E, Application of Dominion Energy South Carolina, Inc. for Adjustment of Rates and Charges."

¹ The Company denied the request because Fort Jackson did not meet the definition of "industrial customer" referenced in the DSM Rider's opt-out provision, i.e., the definition of industrial customer which was previously set forth in Rate 23, but removed as result of the revisions to Rate 23 in Docket No. 2020-125-E. Notably, although DoD/FEA now states in its comments that DESC's interpretation of its existing DSM Rider was "flawed," Fort Jackson did not file a complaint with the Commission arguing that DESC had wrongly applied its own tariff when DESC denied its request.

First, the Rate 23 revisions in Docket No. 2020-125-E were agreed to by DESC and approved by the Commission as part of a comprehensive Settlement Agreement. At no point, in Docket No. 2020-125-E or any other docket, has the Commission ever found that DESC's prior version of Rate 23, which had been in effect for many years, was discriminatory. And second, nothing in the Settlement Agreement in Docket No. 2020-125-E or in Commission Order No. 2021-570 indicates that the change to Rate 23 in that docket was in any way intended to allow more customers to opt-out of the DSM Rate Rider. Indeed, Paragraph 18 of the Settlement Agreement in Docket No. 2020-125-E specifically discusses what the parties agreed to with respect to the revisions of Rate 23, and there is no reference whatsoever to a change in DSM opt-out eligibility.

Notwithstanding this brief response, the Company does not object to DoD/FEA's proposed revision to allow all "[c]ustomers eligible for Rate 23 . . . to opt out of DSM programs and costs" should the Commission decide to adopt it.

In the event, that the Commission seeks additional information regarding DoD/FEA's request, then DESC respectfully requests that the Commission authorize the Company to implement the billing factor updates as proposed in its Amended Annual Update for the first billing cycle of May 2022, in order to facilitate the orderly administration of its retail electric rates so that its DSM rate adjustment coincides with the Company's other planned rate adjustments in its fuel proceeding (Docket No. 2022-2-E) and its pension rider proceeding (Docket No. 2022-74-E).

DESC is providing a copy of this filing to ORS and the other parties.

If you have any questions, please advise.

Very truly yours,



Matthew W. Gissendanner

MWG/kms

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